



Performance and Resource Management Committee of the Police Authority Board

Date: FRIDAY, 15 NOVEMBER 2019
Time: 10.30 am
Venue: COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

LATE PAPERS

6. **BUDGET MONITORING MONTH Q2 2019/20**
Report of the Commissioner.

For Information
(Pages 1 - 18)

16. **CITY OF LONDON POLICE MEDIUM-TERM FINANCIAL PLAN UPDATE**
Report of the Treasurer.

For Information
(Pages 19 - 28)

21. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

- a) **Funding the Capital Programme - City of London and City of London Police** (Pages 29 - 40)
Report of the Commissioner.

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Lunch will be served in the Guildhall Club at 1pm

John Barradell
Town Clerk and Chief Executive

Agenda Item 6

Committee: Police Performance and Resource Management Committee- for information Police Authority Board- For information	Date: 15 th November 2019 28 th November 2019
Subject: Budget Monitoring Month Q2 2019/20	Public
Report of: Commissioner of Police Pol 86-19	For Information
Report author: Cecilie Booth, Chief Operating and Chief Financial Officer	

Summary

The Chief Officer Cash Limited budget at the start of the year was £72.7m. The budget increased in Q1 to £73.4m following the transfer of 15 City of London Corporation (CoL) staff and associated budget to the Joint Contact Centre. Budgets will be further adjusted in the second part of the financial year to reflect the 67 growth bid posts in line with expected on boarding.

This report outlines the financial position for the second quarter of the 2019/20 financial year. Current projections indicate an overspend of £2.2m by the end of the year, primarily due to an unfunded increase in Police Officer pension contributions in the region of £2.5m based on full establishment. Current workforce levels indicate pressure of £2.3m this year. It is anticipated that this pressure can be partly off-set by a residual balance in the POCA reserve due to the timing of recruiting to the 67 new posts. At this stage of the financial year it is expected that only £1m of the POCA reserve will be spent.

There are additional budget pressures on overtime, a larger pay award for Officers than expected and legal costs in relation to the London Bridge inquest. Savings of £6.3m are built into the budget, with £4.7m in pay and £1.6m in non-pay. Maintaining acceptable service levels whilst holding the required level of vacant posts as part of agreed pay mitigation continues to be a challenge. Ongoing management of the vacancy factor, maximising income opportunities and managing non-essential spend continue in order to bring the position back within budget by the end of the year.

Recommendation

Members are asked to note the report.

1 Chief Officer Cash Limit Budget

1.1 The Chief Officer Cash limited budget at the start of the year was £72.7m. This has now increased to £73.4m due to the transfer of the Joint Contact Centre staff. This is funded as follows:

Table 1

Funding Type	Amount (£000)
Core Grant (inc NICC)	57,100
Business Rates Premium	13,000
Precept grant	2,700
CoL Contact Centre	680
Total Funding	73,480

1.2 The latest forecast position is summarised below.

Table 2

	19/20 Latest Budget £m	Budget YTD £m	Actual (Q2 YTD) £m	Variance YTD £m	Forecast £m	Projected Variance £m
Pay						
Officers – net	49.7	24.9	25.2	0.4	49.8	0.1
Staff – net	24.9	12.5	11.4	(1.1)	23.0	(1.9)
Overtime	2.0	1.0	1.1	0.1	3.1	1.1
Agency	2.4	1.2	0.9	(0.3)	2.1	(0.3)
Indirect employee costs	2.2	1.1	0.5	(0.6)	1.7	(0.5)
Pensions Contrib.	20.4	10.2	0.0	(10.2)	20.4	0.0
Total Pay	101.7	50.9	39.1	(11.8)	100.2	(1.5)
Non-Pay	39.7	19.9	22.5	2.7	42.0	2.3
Total Expenditure	141.4	70.7	61.6	(9.1)	142.3	0.8
Income						

Specific Grant	(52.2)	(26.1)	(21.7)	4.4	(50.4)	1.8
Partnership	(12.5)	(6.3)	(4.6)	1.7	(12.5)	0.0
Fees & Charges	(3.2)	(1.6)	(1.0)	0.6	(3.6)	(0.4)
Total Income	(67.9)	(34.0)	(27.3)	6.7	(66.6)	1.4
Funding	(73.5)	(36.7)	(36.7)	0.0	(73.5)	0.0
Underlying Deficit	0.0	0.0	(2.4)	(2.4)	2.2	2.2
Use of reserves	0.0	0.0	0.0	0.0	0.0	0.0
Revised Deficit (pre-mitigation)	0.0	0.0	(2.4)	(2.4)	2.2	2.2

1.3 Table 2 indicates a potential overspend of £2.2m, primarily due to the additional costs associated with the 9.7% increase to Police Officer pension contributions. This has improved from the Q1 forecast of £2.6m overspend due to favourable movement which relates to additional income in seized vehicles and revised staffing forecasts following the continued management of vacant posts.

1.4 The Employer's contribution to Police Pension increased from 21.3% to 24.2% in 2018/19 with a further increase to 31% in 2019/20. This increase in contribution provides an additional budget pressure of £2.5m based on full establishment. This poses a significant risk to the 2019/20 position, however, the force has partly mitigated through robust vacancy and financial management, and it is anticipated that the projected overspend will be partly off-set by a residual element of the POCA reserve. The pressure forms part of the Forces MTFP and will be managed through associated MTFP saving proposals.

1.5 In addition to this, the following pressures are contributing to the forecast overspend:

- Overtime – a projected overspend of £1.1m (please see overtime section below)
- The confirmed 2.5% pay award for Police Officer's which adds further pressure of £0.116m as the budget was set based on an estimate of 2%.
- Legal costs in respect of the London Bridge inquest of £0.250m
- Non-pay pressures on business rates and subscription charges

1.6 The YTD variance on pay relates to Police pension payments for 2019/20 which are fully funded by Home Office grant. This is processed at year end. The YTD variance position on income relates to Home Office grants which are usually received at year end. Since Q1, £17.2m of grants have been received.

2 Savings Target

2.1 Budget mitigations of £6.3m are required in-year to deliver within budget. This comprises £4.7m in pay and £1.6m in non-pay. There is a plan in place to achieve the required savings during the year, and the plan is being monitored closely through internal governance and fortnightly monitoring meetings with the Police Authority. Pay savings will be found through workforce and vacancy management in core funded posts. The level of monthly pay savings required is £0.390m (81 posts, officers / staff). Non-pay savings of £1.6m have been identified as set out in Table 3 below.

2.2 Current projections indicate we are on course to deliver the required mitigations. However, this does rely on continuation of strong vacancy management throughout the remainder of the year. If and when additional non-pay savings or additional income / funding are achieved, the plan will be adjusted accordingly. There are currently 100 FTE core funded vacancies contributing to the below budget mitigations. Maintaining acceptable service levels whilst holding the required level of vacant posts as part of agreed pay mitigation continues to be challenge.

Table 3

Savings Tracker	Target (£000)	YTD Actual (£000)	Forecast (£000)	Variance (£000)	Risk
Vacancy factor	3,700	1,850	3,700	0	G
Transform pay savings - holding branch	1,000	500	1,000	0	G
Total pay	4,700	2,350	4,700	0	
Corporate Plan income	300	176	300	0	G
Facilities Management	500	250	500	0	G
Seized assets disposal	300	154	300	0	G
Agency staff	500	250	500	0	G
Total non-pay	1,600	830	1,600	0	
Total	6,300	3,180	6,300	0	

3 Directorate Revenue Position

3.1 As at the end of quarter two, current projections indicate a budget deficit of £2.2m. The table below sets out the Directorate position. This includes £6.3m budget mitigations shown above and continued robust vacancy management and the full effect of the increased pension contributions.

Table 4

	2019/20 Budget £'000	Budget YTD £'000	Actual YTD £'000	Variance YTD £'000	Projected Outturn £'000	Projected Variance £'000
BSD	28,591	14,296	1,192	(13,103)	28,386	(205)
Crime	10,584	5,292	5,909	617	10,242	(342)
ECD	7,763	3,882	11,639	7,757	8,585	822
I&I	11,783	5,892	6,272	381	13,153	1,370

UPD	14,759	7,380	9,352	1,972	15,332	573
Grand Total	73,480	36,740	34,363	(2,377)	75,699	2,219

3.2 Table 5 below outlines the position without the additional unfunded pension, which shows a projected budget underspend of £0.044m. The main Directorate movement is within BSD where the unfunded pension increase is held. Budgets for all vacant posts are transferred to BSD as part of the budget mitigations plan.

Table 5

Directorate	2019/20 Budget £'000	Projected Outturn £'000	Projected Variance £'000
BSD	30,909	28,235	(2,674)
Crime	10,155	9,896	(258)
ECD	7,160	8,073	913
I&I	11,484	12,845	1,361
UPD	13,772	14,386	614
Grand Total	73,480	73,436	(44)

Directorate Variances (See Table 4)

3.3 Business Support Directorate (BSD) - £0.205m underspend

The Directorate is forecasting a small underspend. In addition to support service budgets, the Directorate also holds the unfunded additional police officer pension pressure of £2.5m (based on full establishment) as well as the pay budget mitigation of £3.0m. As can be seen from Table 5, the pressure on police officer pensions is the main risk. If this were funded, the Directorate would be reporting an underspend in line with the pay budget mitigations. The position also includes spend of £0.250m relating to the London Bridge inquest. The YTD actual includes receipt of the full year pension deficit grant resulting in a credit position - this will even out as the year progresses. The Directorate is holding core funded net vacant posts of 4.1 FTE.

3.4 Crime - £0.342m underspend

The Directorate is forecasting an underspend primarily due to receipt of additional grant income in year. There are minor variances across non-pay budgets, however, there are no significant financial risks. The Directorate is holding core funded net vacant posts of 14.5 FTE.

3.5 Economic Crime Directorate (ECD) - £0.822m overspend

The Directorate is 81% externally funded. The forecast includes a pressure of £0.5m relating to disputed invoices from Action/Know Fraud Supplier, however

Action/Know Frau continues to be monitored. The appropriate recharge between core funded and externally funded units is subject to on-going review. The Directorate is holding core funded net vacant posts of 10 FTE.

3.6 Intelligence and Information (I&I) - £1.370m overspend

The projected overspend position within I&I is due to a number of factors, primarily relating to non-pay including subscription costs within the Command Hub, professional fees paid for Regulation of Investigatory Powers Act (RIPA) requests in the Central Authorities Bureau and pressures in respect of the cost of licences, subscriptions and maintenance costs for information security.

In addition to this there are pressures on overtime, mainly within the Command Hub. Overtime activity is driven by demand and the 24 hour nature of work that the Command Hub and Surveillance team undertake. Various measures are being introduced to address and manage overtime. For instance, there is a review of work and shift patterns to minimise the need for overtime and efforts to build team resilience at supervisory levels, and the position has improved since Q1.

Overtime however remains an area of risk especially with unpredictable nature of high profile national public order events, including Brexit and Extinction Rebellion. The Directorate is holding core funded net vacant posts of 17.9 FTE.

3.7 Uniformed Policing Directorate (UPD) - £0.573m overspend

The projected overspend is primarily due to overtime, particularly in Firearms, Support Group and Response teams. Measures have been introduced to manage this which have improved the position, however, this remains a significant area of risk with uncertainty around future potential public order events such as Brexit and Extinction Rebellion, as well as staffing pressures in Response Team. There are also additional budget pressures in respect of premises hire costs for firearms training courses. The Directorate is holding core funded net vacant posts of 4.2 FTE.

4 Workforce

4.1 The pay budget constitutes 72% of our expenditure budget and the stringent management of vacant posts is essential to managing the financial position this year. The current establishment, including the 67 growth posts, is 1,358.1 FTE, comprising 840 Officers and 518.1 staff. The actual workforce paid in September was 1,208.81 FTE comprising 761.24 Officers and 447.56 Staff.

4.2 The tables below set out the actual position by month for quarter two. The position reflects the holding of vacant posts required to deliver budget mitigations. Maintaining acceptable service levels whilst holding posts vacant continues to be challenge operationally, however, is required to deliver within budget.

Table 6

FTE	April	May	June	July	August	September
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Officers	735.00	746.33	748.04	758.41	754.51	761.24
Staff	435.47	435.56	433.81	447.48	444.71	447.56
Total	1,170.47	1,181.89	1,181.85	1,205.90	1,199.22	1,208.81

Headcount	April	May	June	July	August	September
Officers	744.00	763.00	756.00	767.00	763.00	769.00
Staff	447.00	449.00	445.00	460.00	457.00	461.00
Total	1,191.00	1,212.00	1,201.00	1,227.00	1,220.00	1,230.00

4.3 The Prime Minister pledged to recruit 20,000 extra police officers in England and Wales over the next three years, with a recruitment drive starting from September 2019. We have received notification from the Home Office confirming 44 officers for CoLP in 2020/21. The CoLP evidence based bid was for 113 new officers based on the Strategic Threat and Risk Assessment (STRA) review. The STRA identified the need for 180 additional officers and staff, 67 new posts have already been approved by members which left a balance of 113.

4.4 Recruitment towards the 67 growth bid is well under way. At the end of quarter two, 13 posts have been filled and a further 28 posts are expected to be filled by the year end. This is projected to cost £1.0m this year and will be funded through the POCA reserve. The budget will be updated to reflect this in period 7.

5 Income

5.1 Table 7 below sets out the grant funding position for the Force totalling £62.486m. Current projections indicate a high level of confidence in receipt from all funders.

5.2 The majority of grant income are received at the end of year, hence YTD variance. Steps are being taken to claim grant income at stages in the year.

5.3 Current projections indicate a small number of variances against specific grants. The positive variances relate to funding streams where the level of income is dependent on actual activity, hence, where a lower level of spend is projected a corresponding reduction in the level of grant income is forecast. The variance against other miscellaneous income is due to additional income from the Metropolitan Police Service in respect of specific activity and additional expected income from international training and development.

Table 7

Name of Grant	Funding Provider	2019/20 Budget £'000	Actual YTD £'000	Projected Outturn £'000	Projected Variance £'000	Risk Rating
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Police Pensions Grant	Home Office	(20,400)	(18,903)	(20,400)	-	G
National Cyber Security Programme	Home Office	(6,645)	0	(6,645)	-	G
Counter Terrorism Policy Grant	Home Office	(6,270)	(3,150)	(6,270)	-	G
Action Fraud Managed Service	Home Office	(5,500)	265	(5,500)	-	G
Insurance Fraud Enforcement Team	Association of British Insurers	(4,003)	(1,824)	(3,700)	303	G
Action Fraud National Fraud Intelligence Bureau	Home Office	(4,000)	(84)	(4,000)	-	G
Dedicated Cheque & Plastic Card Unit (DCPCU)	UK Payments Administration Ltd	(2,520)	(986)	(2,439)	81	G
National Lead Force	Home Office	(2,500)	-	(2,500)	-	G
Economic Crime Capability Development	Home Office	(2,200)	74	(2,200)	-	G
International Property Crime Investigation Unit (IPICU)	Intellectual Property Office	(1,916)	(807)	(1,788)	128	G
Police Transport Grant	TFL	(1,847)	(475)	(1,847)	-	G
National to Local Fraud & Cyber Data Sharing	Home Office	(1,761)	(0)	(1,761)	-	G
Cyber Griffin	Corporation	(450)	-	(450)	-	G
Late Night Levy	Corporation	(310)	-	(310)	-	G
Firearms Uplift	Mayors Office for Policing & Crime	(284)	-	(284)	-	G
London Safety Camera Partnership	TFL	(264)	-	(264)	-	G
Economic Crime Victim Care Unit	Mayors Office for Policing & Crime	(210)	-	(210)	-	G

Overseas Anti-Corruption Unit	Department for International Development	(171)	(112)	(171)	-	G
NPCC Cybercrime Programme	Home Office	(100)	20	(124)	(24)	G
Tower Bridge	Corporation	(92)	-	(92)	-	G
Regional Organised Crime Unit Coordinator	Home Office	(90)	(95)	(90)	-	G
Other	Miscellaneous	(953)	(324)	(1,429)	(476)	G
Grand Total		(62,486)	(26,400)	(62,474)	12	

5.4 Further work is being undertaken to ensure there is a full cost recovery approach to all funded units. This work is being incorporated in the Medium Term Financial Plan, and contractual arrangements are reviewed as and when existing contracts expire.

6 Capital

6.1 The CoLP position for current live capital schemes is shown in the table below.

Table 8

Core Project	Approved Amount	Spend & Orders to date	Projected spend
	£'000	£'000	£'000
Digital Interview Recording	12	-	12
Emergency Services Network	1,821	1,343	478
Economic Crime Capability Development	74	-	74
HR Time Management & e-Expenses	426	356	70
ICT Support to CCCI	3,360	3,360	-
Police Telephony Upgrade	493	459	34
Ring of Steel Compliance	2,446	2,189	257
Secure City Programme Management	453	321	132
Wide Area Network (WAN) Refresh - Police Recharge	1,445	1,071	374
Police Vehicles 19/20 purchases	301	-	301

IT Modernisation - Desktop & Office 365	3,800	260	3,540
IT Modernisation - Security Zone	850	340	510
IT Modernisation - Sharepoint/Intranet	245	-	245
Total CoLP	15,726	9,699	6,027

Accommodation Project*	39,652	36,597	3,055
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NEP	45,657	11,675	33,982
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*This excludes revenue premises running costs of 21 New Street (£17m budget to 2021)

6.2 Spend and immediate commitments to date plus the projected spend are equal to the approved amount. The projects are subject to the Corporation's Gateway management of capital and supplementary process and as such no overspends on project delivery are allowed unless authorised through that process and given additional budget.

6.3 The accommodation project is managed by City Surveyors with CoLP managing a specific part of the decant strategy. Therefore it is important that Chief Officer Team and Members of Police Authority Board and other committees can see the total amount committed to this project.

6.4 The National Enabling Programme (NEP) will deliver technologies to introduce new ways of working and greater sharing of information, plus a platform for better protection of law enforcement information and assets, contributing to the National Police Chiefs Council (NPCC) Policing 2025 vision. NEP is led by Wayne Parkes (Head of ICT at Warwickshire Police and West Mercia Police) as Programme Director, with Commissioner Ian Dyson as Senior Responsible Officer. All income and expenditure for this national programme is handled by the CoLP finance team and fully funded by Home Office grant.

6.5 In addition to the approved schemes above a number of outstanding bids have been awaiting a decision on the outcome of the City of London Corporation's Fundamental Review and a steer from Members on the prioritisation and funding on the Police Capital Programme in the future. Four bids were previously submitted as part of a prioritisation exercise including IT Modernisation, Secure City, HR Oracle Upgrade and Professional Standards Software. These were not approved, however, now form part of the funding arrangement for 2020/2021 Capital Programme.

6.6 Determining future capital requirements and the strategy for financing them is in progress and forms a key element of a sustainable medium-term settlement. New

capital financing arrangements will enable CoLP to raise its own capital through Prudential Borrowing based on the principles of the Prudential Code.

6.7 The new Capital Programme will be funded by these borrowing arrangements. New borrowing will be capped at £5m per annum from 2020/21 (the Authorised Limit), and there is a need to demonstrate that all new capital expenditure plans are prudent, affordable and sustainable.

6.8 All new capital bids are subject to a CoLP prioritisation process which commences in the autumn, in advance of the new financial year. Standard bid forms are completed by service areas and bids assessed against the CoLP Corporate Plan priorities.

6.9 Following internal assessment and scrutiny, the proposed Capital Programme will be presented to Members for approval via the usual approval route.

7 Transactional

Accounts Payable

7.1 Table 9 below shows the performance relating to payment of invoices within 30 or 10 days. To date this is 95% which is a reduction on the Q1 position and below the corporate target of 97%. This reduction in performance is due to staff shortages and a concentrated effort in clearing backlogs. Measures are being put in place to improve overall performance. Processes are being reviewed and self-service is being rolled out.

Table 9

Month	Total Invoices	Compliant Invoices	%
Oct-18	637	589	92%
Nov-18	662	642	97%
Dec-18	572	545	95%
Jan-19	687	619	90%
Feb-19	587	566	96%
Mar-19	713	686	96%
Apr-19	545	526	97%
May-19	653	618	95%
Jun-19	528	510	97%
Jul-19	598	566	95%
Aug-19	599	568	95%
Sep-19	498	476	96%
Total to Date	7,279	6,911	95%

Accounts Receivable

7.2 As per table 10 below, total Debtors has increased by £2.5m to £3.2m in Q2 from £0.693m in Q1. This is primarily due to the volume of invoices raised in September 2019, therefore increasing the 'less than one month' category.

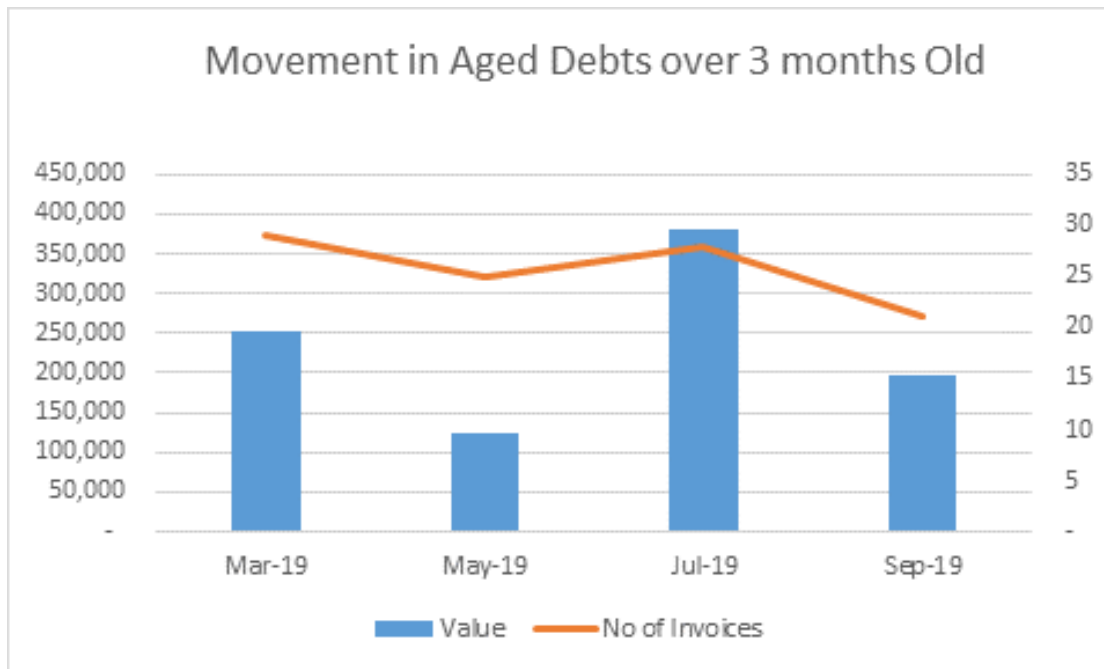
7.3 Debts less than one month old have increased by £2.7m. Debtors over 3 months have decreased by £0.194m from Q1. This is due to active monitoring and working closely with the Corporation to utilise appropriate methods for chasing and collecting debt. Debts over 1 year are currently being reviewed to determine appropriate action.

Table 10

Age	Q1		Q2		Change from Q1 to Q2	
	Count	Value £	Count	Value £	Count	Value £
Less than 1 Month	7	235,836	36	2,954,965	29	2,719,129
1 - 2 Months	2	63,158	7	25,075	5	(38,083)
2 - 3 Months	3	12,250	3	40,630	0	28,380
3 - 12 Months	16	357,471	9	173,498	(7)	(183,973)
Over 1 year	12	24,597	12	24,266	0	(331)
Total	40	693,312	67	3,218,434	27	2,525,122

Accounts receivable activity in Q2:

Summary of Movements	Q1 2019		Q2 2019	
	No	Amount	No	Amount
Number of Invoices Paid	(17)	(603,883)	(31)	(636,714)
New Invoices Raised	4	210,741	44	3,016,823
Credit Notes Issued	0	0	(5)	(48,988)
Debts Written Off	0	0	0	0



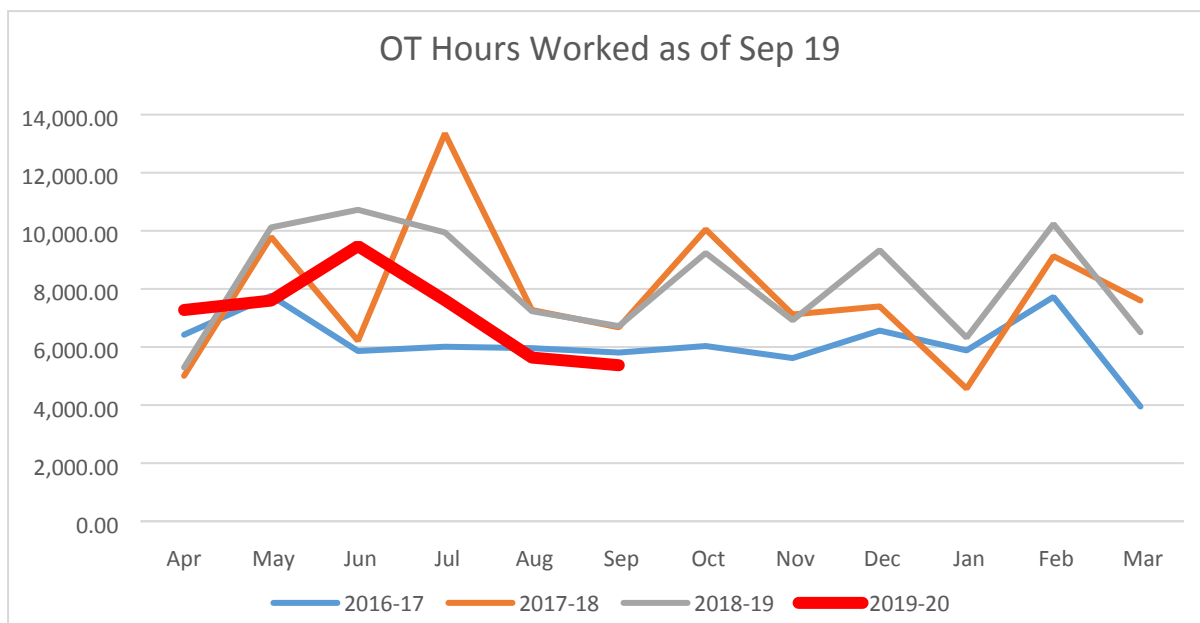
Overtime

7.4 The level of overtime spend forecast continues to be in line with the first quarter of the year. The Force wide budget is £2.0m, split £1.6m core funded and £0.4m funded units. This includes overtime in respect of bank holidays and tasking.

7.5 Actual spend at the end of second quarter is £1.1m covering both officers and staff. Current forecasts indicate spend of £3.1m, which is £1.1m over budget.

7.6 Spend levels for the second quarter are on average 16% lower than previous years. This reduction has come from a combination of controls being put in place and clear communication to managers within the Force to manage overtime. The position continues to be closely monitored and reported at Chief Officer Level.

7.7 The chart below shows the current trend on overtime hours worked to the end of September 2019. The trend currently indicates a reduction in overtime compared to previous years and suggests controls are effective. However there is increased risk in the second half of the year due to potential public order events.



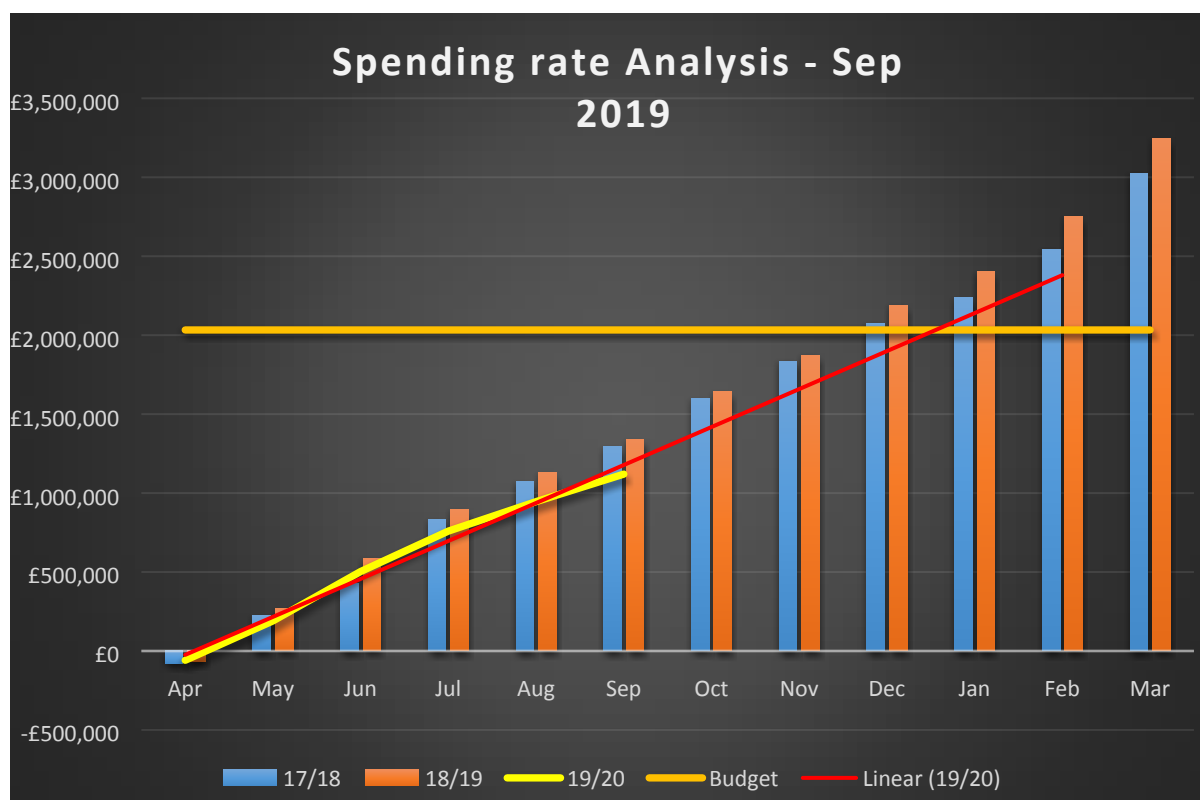
7.8 The main reasons for claiming overtime are:

- Covering for vacant posts (backfilling / Business as Usual)
- Extinction / Animal Rebellion protests
- Pan London Brexit protests
- TFG including Bank of England armed escorts (which is substantially recovered through the contract)

7.9 Expenditure of £100,000 to date relates to Extinction / Animal Rebellion protests, and further expenditure is anticipated as overtime claims are being processed. We will submit a bid to the Home Office to seek to recover some or all of this.

7.10 The largest spending Directorate is UPD which constitutes 64% of overtime. The main reason is business as usual which accounts for 35%. It is expected that the need for backfilling and BAU will reduce as vacancies are filled, however, it is difficult to predict requirements relating to future known and unknown policing requirements. Discussions are taking place with the Home Office in respect of special grant funding relating to increased public order requirements.

7.11 The chart below shows cumulative overtime spend against the last two years. This indicates spend on a slightly lower trajectory. If this were to continue the full year budget will be fully utilised by January 2020. Although spend has continued to drop in comparison to previous years, forecasts for overtime has remained at £3.1m due to the potential risk of further public order events.



8 Brexit

8.1 The City of London Police has identified potential risk to public order during the Brexit period, which will add further pressures on the revenue budget. Any sizeable protest within the City footprint that led to disorder would require a regional mobilisation response. This would mean a large number of Police Support Units within the City dealing with protest.

8.2 The Corporation of London made funds available to meet Brexit preparation costs, and CoLP secured funding for upfront investment and contingency plans. Funding may also be available from the Home Office, however, no such funding was available during 2018/19.

9 Use of Reserves

9.1 The Police reserves position is summarised in Table 11 below. The Police General Reserve was fully utilised in 2018/19 and drawdowns were made from the Transformation Reserve and the Action Fraud reserve to match expenditure. It is anticipated that approximately £1m will be spent from the POCA reserve to fund recruitment of 41 of the 67 new post, which will leave a projected closing balance of £1.53m. This may be used to offset the projected overspend of £2.2m, which includes the additional pension pressure of £2.5m.

Table 11

	Opening Balance (£M)	Projected Spend (£M)	Projected Closing Balance (£M)

General	0	0	0
POCA	(2.53)	1.0	(1.53)
Action Fraud	(1.71)	1.71	0
Transformational Funding	(0.06)	0.06	0
Total	(4.3)	2.77	(1.53)

10 Risk Management

10.1 Table 12 below identifies the key risks and mitigating controls contained within this report: (quantums have been included where possible)

Table 12

Risk	Risk Mitigation
Major incidents	Early engagement with the Home Office to ensure opportunities for cost recovery are maximised.
Crime Performance / Safety issues	All such issues will be reported to Members
Vacancy factor	It is challenging to maintain acceptable service levels with a vacancy factor of 81. The vacancy factor will be reviewed and revised throughout the year, if and when the financial position improves from additional non-pay savings / additional income. All recruitment is approved by the Strategic Workforce Panel.
Budget mitigations and additional pension pressure	Fortnightly strategy meetings are held with the Commissioner, Town Clerk and Police Authority Policy and Finance, reviewing and challenging budget and savings assumptions.
Overtime budget	Enhanced controls have been introduced to manage the overtime budget
Deferred Weekly Leave (DWL)	Accrued DWL has been quantified, currently £1.4m for Officers and £0.07m for staff, however, the build-up of DWL may be subject to unplanned events over the year. Currently no financial implication, however, continues to be reviewed.

Use of agency staff	Reliance on agency staff has been greatly reduced
Further cost pressures for Action Fraud	Under review and close scrutiny
Capital Programme progress and potential slippage	The Capital Programme is monitored throughout the year, capital recharges will be undertaken in a timely manner. The proposed 2020/21 Capital Programme has been drafted.
Brexit	Expenditure will be monitored closely, and external sources of funding will be explored. A bid for £0.9m was previously submitted to the Corporation covering potential risk. So far this year we have spent £0.04m
Events policing	Finance Business Partners will work closely with services to ensure chargeable events policing is captured in a timely manner and recharged accordingly.
Vehicle fleet management	A Strategic Fleet Management Group chaired by the Assistant Commissioner has been re-established and is monitoring Financial risk around replacement spend. A loan of £1.8m from the Corporation has been approved for the capital scheme relating to vehicles, of which £0.74m is expected to be spent in this financial year. To date, £0.3m has been released in respect of the purchase of vehicles.

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